



WHAT TO KNOW ABOUT RETAIL GAS AND ELECTRICITY SUPPLIERS AND SUPPLIER CONTRACTS

A SHORT LIST OF CONSUMER RIGHTS AND REMEDIES

Check out OPC's price comparison charts

Check out OPC's Fact Sheets on Retail Gas and Electric
Suppliers to get the complete list of supplier licensing,
marketing and contracting requirements

Maryland Office of People's Counsel

410-767-8150 1-800-207-4055

DLInfo_OP@maryland.gov

www.opc.maryland.gov

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RETAIL ENERGY SUPPLIERS WHAT EVERY CONSUMER SHOULD KNOW BEFORE YOU SIGN

Energy suppliers are allowed to sell gas and electricity supply in Maryland

- They must be licensed by the Maryland Public Service Commission (PSC)
- They must comply with all state and federal consumer protection laws, and the PSC regulations

You do not have to purchase your gas and electricity supply from a supplier unless you want to – you can continue to buy your supply from your local utility

If you want to check out your options, be sure to check out price comparisons and contract terms *before* you sign the contract.

DO NOT FEEL PRESSURED BY A PHONE CALL OR SOMEONE AT THE DOOR. DO NOT RELY ON WHAT THE AGENT TELLS YOU – WHAT MATTERS ARE THE CONTRACT TERMS. IF YOU DO NOT UNDERSTAND THE CONTRACT, DO NOT SIGN.

PRICE DIFFERENCES CAN BE SUBSTANTIAL. YOU SHOULD ONLY SIGN A CONTRACT THAT YOU KNOW IS GIVING YOU A LOWER PRICE THAN THE UTILITY PRICE AND OTHER SUPPLIER OFFERS.

Suppliers often offer “value” items – gift cards, airline miles, or thermostats – with the contract, with a higher supply rate. Be careful, and figure out if the value of those items will give you a good deal, even with the higher rate, AND that you likely will use those items.

Slamming is prohibited. Only the utility customer (or legal representative) can agree to a supplier contract. A landlord, spouse, child or roommate cannot agree on your behalf.

- Never give out your utility bill, your utility account number or a “Choice ID” number to any person or agent unless *you* are ready to sign a contract

Marketing and solicitation. Suppliers can try to contact you in several ways: direct mail; telephone solicitation (“cold calls”); Door-to-door sales; and Website – Internet enrollment. There are specific Consumer Protection Act and PSC rules that the suppliers must follow. If they do not, they violate the law.

Direct mail. The materials cannot be unfair or deceptive, and the contract must affirmatively display contract terms required by the PSC. There must be a contract and contract summary form for you to sign and return. You should do comparison shopping before you sign, and make a copy of the signed contract before you return it.

Telephone solicitation. You may get a cold call from a supplier's agent wanting to tell you about a supplier offer.

The supplier or agent must clearly identify itself as a supplier. They cannot state or imply they are calling for your utility. The utility will never call to offer you a discount or price deal.

If you are interested in learning more about supplier offers, you should ask them to send you written materials about the price offer or ask for a website address so that you can check out the terms. Otherwise, if you stay on the line, the agent may walk you through a set of questions, and ask for a response. This call would be recorded. **THE RECORDED PHONE CALL IS NOT THE CONTRACT.** For most calls, the supplier's agent **MUST** send you a written contract with all of the terms, and get your signature.

We recommend that you do not agree to a contract by telephone. Do not give out your utility account number or Choice ID number unless you are signing a contract. If you do agree, the supplier must send you a contract and contract summary form for your signature.

Door-to-door sales. Door-to-door sales include solicitations at your home, and any solicitations that occur outside of a fixed retail location. These include the tables you see at malls, home improvement stores, fairs, PTA meetings, or friends and neighbors type gatherings. All of the agents must have clear identification and business cards, and clearly identify themselves by name and company. They cannot state or imply that they are associated with a local utility, or part of a utility program. **Local utilities will not come to your door to offer discounts, conduct surveys, or ask to see your bill.**

We recommend that you do not agree to a supplier contract at your door or other site without doing comparison shopping for prices and contract terms. If you are interested, ask for written materials and a website address. Do not give out your identification, utility account number or Choice ID number. However, if you do decide to sign a contract, the agent must give you a written contract for you to review and sign, a Notice of Right to cancel the contract within 3 business days, and a Contract Summary form.

Contract Terms. The supplier must give you a contract with specific terms. Often the contract is in small print with lots of words, and may be confusing. The important contract terms include:

- **Price** (in form of cents per kilowatt hour) – How does it compare to the utility price or other supplier prices? **CHECK OUT your utility supply price on OPC's price comparison charts**
- Is the price a fixed rate or will it change monthly (variable)?
 - Some suppliers will offer a “teaser” rate that is lower for two months, and then change it to a variable rate
 - Variable rates are **very** high risk for consumers and should be avoided

- **Length of contract:** Monthly, 12 months, longer?
- **Cancellation fee** - This fee can be substantial.
- **Extra Monthly Fees** – These add to the monthly cost of your supply
- **Automatic renewal** – Almost every contract has this. For example, if you have a 12-month contract, you will receive a notice 45 days before the end of the contract. It may include changes to the contract terms, especially the price. If you do not cancel the contract, it will renew automatically.
- **Renewable or clean energy** - There should be a clear explanation of exactly what “renewable” or “clean” means and the supply source, including the source of the renewable energy credits (RECs).

Common types of complaints or disputes

Slamming: You did not sign a contract with a supplier, and discover that you were signed up without your consent. You may be paying a higher rate as a result. *Spouses, adult children, partners, and other occupants cannot agree to a contract unless they have written legal authority to act on your behalf.*

Contract and contract summary form. You never were given a written contract to sign or a contract summary form, and did not know the supplier was supposed to give it to you. As a result, you were not aware of all the contract terms and are paying a higher rate or a cancellation fee

Deceptive statements. During a call or in a door-to-door sale, the agent made deceptive statements. For example, the agent claimed a relationship with the utility, stated that the offer was a discount, or stated there were guaranteed savings that did not happen.

Billing dispute. You disagree with the calculation of the bill amount and neither the utility (as the biller) nor the supplier will correct it.

Complaints or Disputes about supplier marketing, contracts or billing.

The energy suppliers are licensed by the PSC, and complaints should be submitted to the PSC.

If you believe that you have been “slammed,” that the supplier’s agent has made deceptive statements to you, has failed to provide you the contract and contract summary as required, or have a billing dispute, you should take action:

- First, you should contact the supplier directly. If the supplier does not resolve the complaint, you can then file a complaint with the PSC.

- You must file it online at www.psc.state.md.us. If you do not have a computer or access to one, you should call the PSC Consumer Assistance Division at 410-767-8028, tell the representative you wish to file a complaint, and that you cannot do it online. They should take your complaint over the phone and send you an online form that you must fill out and return.
- **Remedy.** You should ask for a credit or refund of the price difference between the supplier price and the utility price for each month you paid a higher price, and any cancellation fee you may have paid.